

individual. The individual must make the payment within 31 calendar days after receiving the notice (60 days if living overseas). An individual is considered to have received a mailed notice 15 days after the date of the notice, 30 days if living overseas.

(2) If an insured individual fails to make the overdue payment, his/her insurance cancels. Cancellation is effective at the end of the last pay period for which payment was received.

(3) An individual whose insurance cancels for nonpayment does not get the 31-day extension of coverage or the right to convert provided in subpart F of this part.

(4) Coverage that cancels for nonpayment is not reinstated when the individual's pay, annuity, or compensation becomes sufficient to allow withholdings, except as provided by paragraph (g)(5) of this section.

(5) If, for reasons beyond his or her control, an insured individual is unable to pay within 30 days of receiving the past due notice (45 days if living overseas), he or she may request reinstatement of coverage by writing to the employing office or retirement system within 60 days from the date of cancellation. The individual must provide proof that the inability to pay within the time limit was for reasons beyond his or her control. The employing office or retirement system will decide if the individual is eligible for reinstatement of coverage. If the employing office or retirement system approves the request, the coverage is reinstated back to the date of cancellation, and the individual must pay the back premiums.

[64 FR 72462, Dec. 28, 1999, as amended at 75 FR 60578, Oct. 1, 2010]

### Subpart E—Coverage

#### § 870.501 Basic insurance: Effective dates of automatic coverage.

(a)(1) When an employee is appointed or transferred to a position in which he/she is eligible for insurance, the employee is automatically insured for Basic insurance on the day he/she enters on duty in pay status, unless, before the end of the first pay period, the employee files a waiver of Basic insurance with the employing office or had

previously filed a waiver which remains in effect.

(2) An insured employee who moves to another covered position is automatically insured on the effective date of the move, unless the employee files a waiver of Basic insurance with the new employing office before the end of the first pay period in the new position.

(3) When an employee of the District of Columbia Financial Responsibility and Management Assistance Authority elects to be considered a Federal employee under section 153 of Pub. L. 104-134 (110 Stat. 1321), he/she is automatically insured on (i) the date the employee enters on duty in pay status with the Authority, or (ii) the date the Authority receives the employee's election to be considered a Federal employee, whichever is later.

(b) An employee who returns to pay and duty status after a period of more than 12 months of nonpay status is automatically insured at the time he/she actually enters on duty in pay status, unless, before the end of the first pay period, the employee files a waiver of Basic insurance coverage with the employing office or had previously filed a waiver which remains in effect.

(c) For an employee who serves in cooperation with a non-Federal agency and who is paid in whole or in part from non-Federal funds, OPM sets the effective date. This date must be part of an agreement between OPM and the non-Federal agency. The agreement must provide either:

(1) That the required withholdings and contributions be made from Federally controlled funds and deposited into the Employees' Life Insurance Fund on a timely basis, or

(2) That the cooperating non-Federal agency, by written agreement with the Federal agency, make the required withholdings and contributions from non-Federal funds and transmit that amount to the Federal agency for deposit into the Employees' Life Insurance Fund on a timely basis.

(d) If an employee waived Basic insurance on or before February 28, 1981, the waiver was automatically cancelled effective on the 1st day the employee entered on duty in pay status on or after April 1, 1981. Basic insurance

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coverage was automatically effective on the date of the waiver's cancellation, unless the employee filed a new waiver of Basic insurance with the employing office before the end of the pay period during which the coverage became effective.

### § 870.502 Basic insurance: Waiver/cancellation of insurance.

(a) An insured individual may cancel his/her Basic insurance at any time by filing a waiver of Basic insurance coverage. An employee files with the employing office. An annuitant files with OPM or other office that administers his/her retirement system. If still employed, a compensation officer files with the employing office, and if not still employed, with OPM. The waiver is effective, and the insurance stops, at the end of the pay period in which the waiver is properly filed. Exception: an individual who has assigned his/her insurance under subpart I of this part cannot cancel the insurance.

(b) An individual who cancels his/her Basic insurance automatically cancels all forms of Optional insurance.

### § 870.503 Basic insurance: Cancelling a waiver.

(a) An annuitant or compensation officer who has filed a waiver of Basic insurance cannot cancel the waiver.

(b) An employee who has filed a waiver of Basic insurance may cancel the waiver and become insured if:

(1) The employee makes an election during an open enrollment period as described in § 870.507;

(2) At least 1 year has passed since the effective date of the waiver, and the employee provides satisfactory medical evidence of insurability; or

(3) The employee has a change in family circumstances (marriage or divorce, a spouse's death, or acquisition of an eligible child) and files an election as provided in paragraph (b)(3)(i), (b)(3)(ii), or (b)(3)(iii) of this section. Except as provided in paragraph (b)(3)(iii), the effective date of Basic insurance elected under this paragraph (b)(3) is the 1st day the employee actually enters on duty in a pay status on or after the day the employing office receives the election.

(i) An employee must file an election under this paragraph with the employing office, in a manner designated by OPM, along with proof of the event, no later than 60 calendar days following the date of the change in family circumstances that permits the election; the employee may also file the election before the event and provide proof no later than 60 calendar days following the event.

(ii) An employee making an election under this paragraph based on acquisition of an eligible foster child must file the election with the employing office no later than 60 calendar days after completing the required certification.

(iii) Within 6 months after an employee becomes eligible to make an election of Basic insurance due to a change in family circumstances, an employing office may determine that the employee was unable, for reasons beyond his or her control, to elect Basic insurance within the time limit. In this case, the employee must elect Basic insurance within 60 calendar days after he or she is notified of the determination. The insurance is retroactive to the 1st day of the first pay period beginning after the date the individual became eligible, if the employee was in pay and duty status that day. If the employee was not in pay and duty status that day, the coverage becomes effective the 1st day after the date the employee returned to pay and duty status. The individual must pay the full cost of the Basic insurance from that date for the time that he or she is in pay status.

(c) OFEGLI reviews the employee's request and determines whether the employee complied with paragraph (b)(2) of this section. If the employee complied, then OFEGLI approves the Request for Insurance. The Basic insurance is effective on the date of OFEGLI's approval if the employee is in pay and duty status on that date. If the employee is not in pay and duty status on the date of OFEGLI's approval, the Basic insurance is effective the first day the employee returns to pay and duty status, as long as it is within 60 calendar days after OFEGLI's approval. If the employee is not in pay and duty status within 60 calendar days